

# United States District Court

FOR THE  
NORTHERN DISTRICT OF CALIFORNIA  
CRIMINAL DIVISION  
VENUE: SAN FRANCISCO

**FILED**

UNITED STATES OF AMERICA,

v.

NOV 12 2009

RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
ETHAN FARID KHOIJIAN  
a/k/a  
FARID KHOIJIAN

JS

**CR09**

**-1103**

DEFENDANT.

## INDICTMENT

18 U.S.C. § 3143-Wire Fraud

A true bill.

*Lynda Benjamin*  
Foreman

Filed in open court this 12 day of

November, 2009

*Wm J. Ho*

Clerk

Bail, \$ NO BAIL WARRANT / INDICT.  
*[Signature]* UNDER SEAL

**DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT**
 BY: ☐ COMPLAINT ☐ INFORMATION ☒ INDICTMENT  
☐ SUPERSEDING
**OFFENSE CHARGED**

18 U.S.C. 1343 -- wire fraud (counts 1-14)

- ☐
- Petty
- 
- ☐
- Minor
- 
- ☐
- Misdemeanor
- 
- ☒
- Felony

PENALTY: All Counts: 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 special assessment

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO, CALIF.

**DEFENDANT - U.S.**▶ **ETHAN FARID JINIAN**

DISTRICT COURT NUMBER

**1103****DEFENDANT****PROCEEDING**

Name of Complainant Agency, or Person (&amp; Title, if any)

Federal Bureau of Investigation

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:

☐ U.S. ATTORNEY ☐ DEFENSE

SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

MAGISTRATE CASE NO.

☐ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under
**IS NOT IN CUSTODY**

- Has not been arrested, pending outcome this proceeding.
- 1) ☒ If not detained give date any prior summons was served on above charges
- 2) ☐ Is a Fugitive
- 3) ☐ Is on Bail or Release from (show District)

**IS IN CUSTODY**

- 4) ☐ On this charge
- 5) ☐ On another conviction } ☐ Federal ☐ State
- 6) ☐ Awaiting trial on other charges
- If answer to (6) is "Yes", show name of institution

 Has detainer been filed? ☐ Yes ☐ No

If "Yes" give date filed

DATE OF ARREST

Month/Day/Year

Or... If Arresting Agency &amp; Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY

Month/Day/Year

Name and Office of Person

Furnishing Information on this form JOSEPH P. RUSSONIELLO
☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)

Jeffrey Finigan
☐ This report amends AO 257 previously submitted
**ADDITIONAL INFORMATION OR COMMENTS****PROCESS:**
☐ SUMMONS ☐ NO PROCESS\* ☒ WARRANT
Bail Amount: None

If Summons, complete following:

☐ Arraignment ☐ Initial Appearance

\* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address:

Date/Time:

Before Judge:

Comments:

JOSEPH P. RUSSONIELLO (CSBN 44332)  
United States Attorney

**FILED**

NOV 12 2009

RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

ETHAN FARID JINIAN,  
a/k/a Farid Khoujinian,  
Defendant.

**CR09**

**1103**

Violations: Counts 1 through 14 – 18 U.S.C.  
§ 1343 (Wire Fraud)

INDICTMENT

The Grand Jury charges:

BACKGROUND

At all times relevant to this Indictment:

1. Bricsnet FM America, Inc. ("Bricsnet") was a software company with an office located in San Francisco, California. Bricsnet developed and sold software products related to managing real estate. Bricsnet's majority investors were located in Europe.

2. The defendant, ETHAN FARID JINIAN ("JINIAN"), was an individual employed as Bricsnet's CEO. JINIAN had a written employment contract with Bricsnet that set JINIAN's annual salary at \$200,000. JINIAN controlled Bricsnet's operations in the San

INDICTMENT

1 Francisco office.

2 3. Leon Brown II ("Brown") was Bricnet's Senior Finance Manager and possessed  
3 the authority to disburse Bricnet's funds via wire and check. Brown worked in Bricnet's San  
4 Francisco office and JINIAN was Brown's boss in San Francisco.

5 4. Hector Rodriguez ("Rodriguez") was the Chairman of the Board of Directors of  
6 Bricnet. Rodriguez lived in Europe and worked primarily in Europe and visited Bricnet's San  
7 Francisco office periodically.

8 THE SCHEME TO DEFRAUD

9 5. Beginning at a time unknown to the grand jury, but no later than in or about  
10 November 2006, and continuing through about September 2008, in the Northern District of  
11 California and elsewhere, the defendant,

12 ETHAN FARID JINIAN,  
13 a/k/a Farid Khoujinian,

14 did knowingly and intentionally devise a material scheme and artifice to defraud Bricnet and to  
15 obtain money and property from Bricnet by means of materially false and fraudulent pretenses,  
16 representations, and promises, knowing that the pretenses, representations, and promises, were  
17 false and fraudulent when made.

18 MANNER AND MEANS OF THE SCHEME TO DEFRAUD

19 6. As part of the scheme to defraud Bricnet, and in order to obtain money from  
20 Bricnet, JINIAN engaged in certain conduct and made, in sum and substance, certain material  
21 false and fraudulent pretenses, representations, and promises, including, but not limited to, the  
22 following:

23 a. JINIAN told Brown that Rodriguez had agreed to pay JINIAN an  
24 unspecified sum of money in addition to the salary set forth in JINIAN's employment contract.

25 b. JINIAN told Brown that JINIAN could take advances from Bricnet on the  
26 unspecified sum of money Rodriguez allegedly promised to JINIAN.

27 c. JINIAN told Brown that JINIAN was going to reimburse Bricnet for the  
28 advances JINIAN took against the unspecified sum of money Rodriguez allegedly promised to

1 JINIAN.

2 7. It was further part of the scheme to defraud Bricnet that Brown, in reliance upon  
3 JINIAN's false statements such as those set forth in Paragraphs 6.a. through 6.c., would authorize  
4 payments via wires and checks to JINIAN at JINIAN's request. Indeed, in reliance upon  
5 JINIAN's false statements and pursuant to JINIAN's requests, from approximately November  
6 2006 through approximately August 2008, Brown caused wires and checks of Bricnet funds to  
7 be paid to JINIAN totaling more than \$1,000,000.

8 8. It was further part of the scheme to defraud that Rodriguez would be unaware of  
9 JINIAN's false statements to Brown and the payments to JINIAN set forth in paragraph 7  
10 because Rodriguez worked primarily in Europe, only visited Bricnet's San Francisco office  
11 periodically, and communicated primarily with JINIAN regarding Bricnet's San Francisco  
12 operations. Indeed, Rodriguez never agreed to pay JINIAN a sum of money as set forth in  
13 paragraph 6.a. and Rodriguez was unaware of JINIAN's scheme to defraud Bricnet until  
14 approximately September 2008 when Rodriguez learned of the payments to JINIAN set forth in  
15 paragraph 7.

16 9. It was further part of the scheme to defraud that JINIAN would convert for his  
17 own use the money he unlawfully obtained as described in paragraph 7. JINIAN has not repaid  
18 any of the money he unlawfully obtained as set forth in paragraph 7.

19 ///

20 ///

21 ///



COUNTS ONE THROUGH FOURTEEN: (18 U.S.C. § 1343 - Wire Fraud)

10. Paragraphs 1 through 9 are realleged as if fully set forth herein.

11. On or about the dates set forth below, in the Northern District of California and elsewhere, for the purpose of executing the material scheme to defraud Bricnet and to obtain money by materially false and fraudulent pretenses, representations, and promises, the defendant,

ETHAN FARID JINIAN,  
a/k/a Farid Khoujinian,

did knowingly transmit and cause to be transmitted the following wire communications in interstate and foreign commerce:

Count	Date	Description of Wire	From	To
ONE	3/4/2008	electronic images of check #5852 for \$17,500 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
TWO	3/4/2008	electronic images of check #5853 for \$15,500 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
THREE	3/21/2008	electronic images of check #5924 for \$10,000 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
FOUR	4/4/2008	electronic images of check #5948 for \$12,000 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)

Count	Date	Description of Wire	From	To
FIVE	4/4/2008	electronic images of check #5949 for \$14,000 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
SIX	4/4/2008	electronic images of check #5963 for \$9,000 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
SEVEN	4/22/2008	electronic images of check #6004 for \$25,500 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
EIGHT	5/1/2008	electronic images of check #6027 for \$32,500 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
NINE	5/15/2008	electronic images of check #6066 for \$22,000 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
TEN	6/6/2008	electronic images of check #6151 for \$10,000 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
ELEVEN	6/18/2008	electronic images of check #6168 for \$10,000 from Bricnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)

Count	Date	Description of Wire	From	To
TWELVE	7/11/2008	electronic images of check #6213 for \$23,000 from Bricsnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
THIRTEEN	7/15/2008	electronic images of check #6235 for \$10,000 from Bricsnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)
FOURTEEN	8/6/2008	electronic images of check #6282 for \$25,000 from Bricsnet's account at Silicon Valley Bank in Santa Clara, CA	Mechanics Bank in Hercules, CA	Silicon Valley Bank in Santa Clara, CA (via Dallas, TX)

All in violation of Title 18, United States Code, Section 1343.

Dated:

A True Bill.

*November 12, 2009*

*Linda Benjamin*  
FOREPERSON

JOSEPH P. RUSSONIELLO  
United States Attorney

*Brian J. Stretch*  
BRIAN J. STRETCH  
Chief, Criminal Division

(Approved as to form: *[Signature]*)

AUSA FINIGAN

INDICTMENT